26 December 1966

25X1

Excerpt from [   ] Draft Memorandum for the President prepared by Mr. Schultze of the BOB, in which he reported the voting at the meeting on 12 December 1966 concerning the A-12 versus the SR-71 capability. After a "Background" paragraph, Mr. Schultze said:

"On December 12, Mr. Helms, Mr. Vance, Dr. Hornig and I met to consider the alternatives posed in the /Fischer-Bennington-Parangosky/ Report. We are unanimously agreed that:

> Retention of the total of 41 aircraft is undesirable since that number of aircraft is more than is necessary to meet all probable mission requirements.

The risk of reducing the total number of aircraft is minimized by the fact that the retired aircraft would be mothballed and could be brought back into the inventory at relatively low cost in the near future should accidents or operational attrition be high.

Fleet Reduction Alternatives

The study and subsequent discussions have developed three' alternatives for reducing the fleet size, as follows:

1. Retain both the A-12 and SR-71 aircraft with the A-12 fleet under civilian sponsorship [   ] 25X1 [   ] reducing the fleet by mothballing 12 SR-71 aircraft. (Estimated savings in 1968 [   ] 25X1 five year savings, [   ] 25X1

2. Retain only the SR-71 aircraft and assign 8 of them to CIA to be operated from [   ] 25X1 [   ] (Estimated savings in 1968 [   ] five year 25X1 savings, [   ]

3. Retain only the SR-71 aircraft at a single base under Air Force management with possible use of some civilian crews for covert missions. (Estimates savings in 1968, [   ] five year savings, [   ]) 25X1

Under alternatives 2 and 3 a minimum of four OXCART aircraft would be retained through December 1967 to provide a year's transitional overlap as the SR-71 fleet becomes fully operational.

Of the three alternatives, Mr. Helms believes that we should
retain the A-12 aircraft in a separate fleet under civilian
sponsorship and at a separate base (alternative 1) because:

- The potential political problems inherent in a
  manned overflight of denied territory under
  military sponsorship would be unacceptable;

- Keeping a limited "civilian" mission capability
  under military sponsorship is not feasible;
  the story could not be successfully maintained,
  given the press situation in the United States/

- Soviet or Chinese leadership would consider the
  overflight more provocative if military
  sponsorship is established;

- There is a significant operational advantage in
  the somewhat greater altitude capability of the
  A-12 aircraft (about 3,000 feet).

Mr. Vance, Dr. Hornig and I believe that the reconnaissance
aircraft *OPERATIONS* can be successfully carried out with
the SR-71 aircraft and should be consolidated at a single
military base (alternative 3). The limited altitude
advantage projected for the A-12 is not operationally signif-
icant in light of other factors such as the availability of
defensive systems and the equal or better range and payload
capability of the SR-71. At the speed and altitude of
these aircraft, the 3,000 feet or less altitude differential
would not significantly affect survivability, even in a
sophisticated defensive environment like the Soviet Union.

The value of civilian sponsorship and a separate base
are limited because:

- Either aircraft could be reasonably attributed
  to the U.S. military in the event of a shoot-down,
  since the military version has been officially
  publicized;

- The deployment of a civilian sponsored fleet to
  advanced bases (as has been proposed for the
  Southeast Asia mission) would expose and
  establish the use of a military base;

- Civilian pilots could be used under military
  sponsorship to minimize subjective reactions of
  alarm on the part of Soviet or Chinese leadership;

- The primary provocation from the use of these
  aircraft over Soviet or Chinese territory is the
  violation of denied airspace not the fact of
  military or civilian sponsorship.

Two additional factors support a single base and sponsor:

25X1

- There is a greater cost saving [   ] in   25X1
  FY 68 [   ] over the five year period).

- The operational flexibility of switching aircraft
  between missions would be somewhat higher under
  a single command.

Discussion with Congressional Committees

A decision to reduce the fleet size through storing either
the A-12 or SR-71 should be discussed with the appropriate
congressional leaders (Senator Russell is a key person on
this matter). While this matter will have to be handled
with care, it should not be a major problem.

Recommendations

We recommend your approval of the reduction in the active
fleet size. In addition, your decision is needed on the
following three alternatives for accomplishing this
reduction:

Alternative 1: Reduce the overall fleet size by
mothballing 12 SR-71 aircraft; retaining CIA spon-
sorship and basing for the A-12 aircraft at the

25X1

[   ]

Alternative 2: Reduce the overall fleet size by moth-   25X1
balling 11 A-12 aircraft and transferring 8 opera-
tional SR-71 aircraft and 1 trainer to [   ]

25X1

[   ]

Alternative 3: Reduce the overall fleet size by moth-
    balling 11 A-12 aircraft and phase-out the CIA
    fleet capability by January 1968 with all missions
    assigned to the SR-71 fleet under Air Force
    management with the possible use of civilian crews.

Mr. Helms recommends Alternative 1; Mr. Vance, Dr. Hornig
and I recommend Alternative 3.

CWFischer:dje   12-26-66

25X1
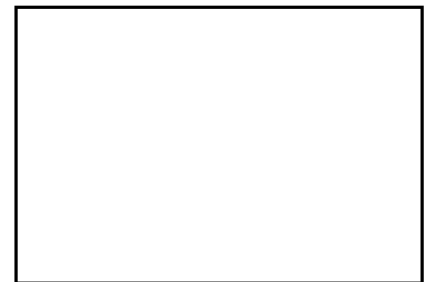
OXCART Phase-Out

On 10 November 1965, Mr. W. R. Thomas, Chief of the
International Division, and Mr. S. B. Leach, Chief of the Military
Division, Bureau of the Budget, submitted a memorandum to the
Budget Director in which they expressed concern at the total costs
of the A-12 and SR-71 programs, both past and projected. They stated

25X1   that [   ] would have been spent on both programs
through FY 1966, and expected [   ] would be spent   25X1
through 1971. They questioned the requirement, first for the total
number of aircraft represented in the combined fleets, and second,
the requirement for a separate CIA (OXCART) fleet. Several alter-
natives were posed to achieve a substantial reduction in forecast
spending. They recommended that the A-12 program be phased out
by September 1966 and that there be no further procurement of SR-71
aircraft. Copies of this memorandum (see Annex 160) were distributed
to the DOD, D/NRO and DCI with the suggestion that these agencies
explore the alternatives set out in the paper. The Secretary of Defense
declined considering the proposal, presumably because the SR-71
would not be operational by September 1966.

The matter rested until July 1966 when Mr. Schultze, Director
of the Budget, reopened the subject. He proposed that a study of the

130

25X1

TOP SECRET

relationship between the OXCART and SR-71 programs be made by the

DOD/CIA/BOB in time for FY 1968 budget deliberations. He suggested

possible alternatives that the study group might examine:

      1.   Retention of separate A-12 and SR-71 fleets, i. e.

status quo.

      2.   Co-location of the two fleets.

      3.   Transfer the OXCART mission and aircraft to SAC.

      4.   Transfer the OXCART mission to SAC and store the

A-12's as attrition replacements for the SR-71's.

      5.   Transfer OXCART mission to SAC and dispose of

the A-12 aircraft.

Mr. C. W. Fischer was designated as the BOB representative on

the study group.

The DCI (Mr. Helms) appointed Mr. Carl Duckett, Assistant

Deputy Director for Science and Technology, as the Agency member,

and the DOD appointed Mr. Herbert D. Bennington. Mr. Duckett

shortly thereafter became the Acting DD/S&T and was unable to devote

the time required to the study. He appointed Mr. John Parangosky,

who was then the AD/OSA, as the Agency's member of the study group.

Throughout the summer and fall of 1966 the panel conducted a detailed

131

TOP SECRET

25X1

T O P   S E C R E T

appraisal of the two fleets, examining the relative technologies,

operational capabilities, support facilities and costs. The capabilities

of advanced aircraft were balanced against those of satellites and

drones. The special covert and civilian characteristics of the OXCART

fleet were reviewed for the effect that termination of the OXCART

project would have on U.S. relations in matters of clandestine recon-

naissance. The study group identified three principal alternatives

for decision. They were:

1. Maintain the status quo and continue both fleets

at the currently approved levels. Estimated costs through

FY 1972 would total [   ]   25X1

2. Mothball all A-12 aircraft, but maintain the OXCART

capability by sharing SR-71 aircraft between SAC and CIA.

25X1   This would save [   ] over the first alternative.

3. Terminate the OXCART fleet in January 1968 (assuming

an operational readiness date of September 1967 for the SR-71)

and assign all missions to the SR-71 fleet. A cost savings of

25X1   [   ] would be realized by adopting this alternative.

The report made no recommendations per se. Its purpose was to pro-

vide information upon which higher level judgments could be made.

132

T O P   S E C R E T   25X1

TOP SECRET

A copy of the Fischer-Bennington-Parangosky report is attached as Appendix II.

On 12 December 1966 there was a meeting at the Bureau of the Budget attended by Mr. Helms, Mr. Schultze, Mr. Vance, and Dr. Hornig, Scientific Advisor to the President. A vote was taken on the alternatives posed in the Fischer-Bennington-Parangosky report. Messrs. Vance, Schultze and Hornig voted to terminate the OXCART fleet, and Mr. Helms voted for eventual sharing of the SR-71 fleet between CIA and SAC. The BOB immediately prepared a letter to the President conveying the course of action recommended by the majority. Mr. Helms, having dissented from the majority, requested a letter be prepared by the DD/S&T to the President stating the case for CIA remaining in the reconnaissance business, and his reasons for voting as he did.

On 16 December 1966, Mr. Schultze handed Mr. Helms a draft memorandum to the President which requested a decision either to share the SR-71 fleet between CIA and SAC, or to terminate the CIA capability entirely. On 20 December Mr. Helms wrote Mr. Schultze that new information of considerable significance had been brought to his attention concerning SR-71 performance. He requested another

133

TOP SECRET

25X1

TOP SECRET

meeting after 1 January to review pertinent facts, and also requested

that the memorandum to the President be withheld pending that meet-

ing's outcome. Specifically, evidence and data had been obtained

that the SR-71 program was having serious technical problems and

there was real doubt that it would achieve an operational capability

by the time the A-12 program was scheduled for termination. So

concerned was he with SR-71 capabilities, Mr. Helms changed his

position from sharing the SR-71 aircraft with SAC to a firm recom-

mendation to retain the OXCART fleet under civilian sponsorship

and separate basing. Other eleventh hour attempts to review the

subject were in vain. On 28 December 1966, the President accepted

the recommendations of Messrs. Vance, Hornig and Schultze, and

directed the termination of the OXCART program by 1 January 1968.

The decision to terminate the OXCART program required

the development of an orderly phase-down procedure. After consul-

tation with Project Headquarters, the D/NRO advised the Deputy

Secretary of Defense on 10 January 1967 of the phase-out schedule of

aircraft. Four A-12's would be placed in storage in July 1967, two

more by December, and the last four by the end of January 1968.

134

TOP SECRET

25X1

TOP SECRET

A copy of the Fischer-Bennington-Parangosky report is attached as Appendix II.

On 12 December 1966 there was a meeting at the Bureau of the Budget attended by Mr. Helms, Mr. Schultze, Mr. Vance, and Dr. Hornig, Scientific Advisor to the President. A vote was taken on the alternatives posed in the Fischer-Bennington-Parangosky report. Messrs. Vance, Schultze and Hornig voted to terminate the OXCART fleet, and Mr. Helms voted for eventual sharing of the SR-71 fleet between CIA and SAC. The BOB immediately prepared a letter to the President conveying the course of action recommended by the majority. Mr. Helms, having dissented from the majority, requested a letter be prepared by the DD/S&T to the President stating the case for CIA remaining in the reconnaissance business, and his reasons for voting as he did.

On 16 December 1966, Mr. Schultze handed Mr. Helms a draft memorandum to the President which requested a decision either to share the SR-71 fleet between CIA and SAC, or to terminate the CIA capability entirely. On 20 December Mr. Helms wrote Mr. Schultze that new information of considerable significance had been brought to his attention concerning SR-71 performance. He requested another

133

TOP SECRET

25X1

OSA History
Chapt XX - OXCART

25X1

It appears from [ ] A-12 history
(which was read and agreed by J.Parangosky
that Dr. Hornig voted for the SR-71
versus the A-12 in December 1966, but
that he in the 29 September 1967 meeting
had become less sanguine about the
SR-71(--see clip at page 141). He
then voted for a 6 month extension of the
A-12.   When the ExCom reopened the A-12/
SR-71 question at its 29 Apr 68 mtg,
Dr. Hornig voted with Mr. Helms to retain
the A-12, but the Secretary of Defense

said the central issue was budgetary
and that since the FY 1969 budget had
assumed that the OXCART was terminated
in accordance with the Dec 66 decision,
there was literally no money in the
budget to sustain the OX program.
He therefore reaffirmed the cancellation
of the program, and at luncheon with
the President on 21 May 1968, the
decision was confirmed by Pres. Johnson.

The only copy immediately available
of the voting at the BOB meeting
of 12 December 1966 (as written up
for the President by Mr. Schultze)
is a very poor copy in the DD/S&T
Comptroller's files---so I have typed
up an excerpt of the pertinent
portions regarding how Dr. Hornig
voted.

C. Status Report by Offices

The following summaries* of developments within the Directorate's subordinate Offices set forth a little of the philosophy behind the operations of each Office and something of the contributions of each toward fulfilling the Directorate's mission.

1. Office of Special Activities (OSA)

OSA was the principal operational unit of the Directorate from 1963 to September 1965 (when OSP took over management of satellite reconnaissance) and maintained the Agency's capabilities for overhead reconnaissance of all types during that period. Subsequent to October 1965, OSA has continued to have responsibility for manned and other aerodynamic aircraft projects, most of which now fall under the National Reconnaissance Program⁻s-authority.

OSA's mission is the technical collection of intelligence (principally photographic and Elint) with a small amount of supporting research and development. As of 1970 its NRP-supported projects had been cut to only the U-2, using the new model U-2R which was approved by the NRP Executive Committee in 1966 and phased into the program in 1969-70. It has since been used peripherally against the China Coast, and over the Middle East war zone.

---

*These summaries are based on interviews held in January and February 1971 with the Directors or Deputy Directors of the Offices concerned.

The supersonic, Mach 3, A-12 reconnaissance system intended to follow the U-2, was shelved after one ~~fairly~~ successful deployment, for the sake of economy, in mid-1968 (see pp. 226-231, above).

25X1
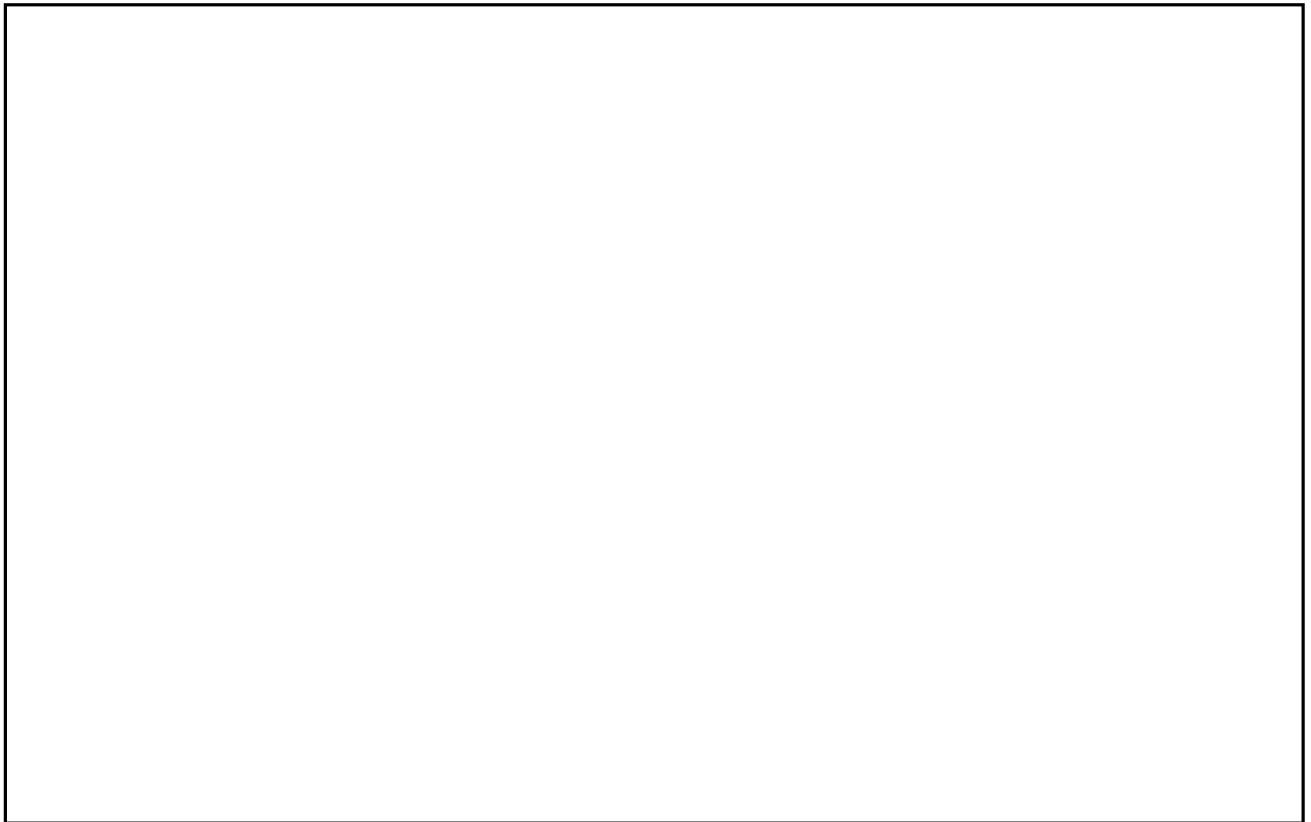
~~Looking-farther-into-the-future~~, OSA's research and development program, conducted ~~primarily~~ under NRP funding, has included

25X1

25X1

OSA's principal liaison within DD/S&T is, with OEL in
the design and procurement of Elint collection systems [ ] 25X1

25X1 [ ] for the U-2. OSI

furnishes continuous updating of its assessment of the enemy

threat against OSA's mission aircraft. ORD has cooperated in

several joint projects and provided RD&E support when required.

Day to day coordination of support and common use of facilities

between OSA and the Air Force has been a way of life since the

early beginnings of the joint U-2 program. This latter
coordination has had its ~~day-to-day~~ ups and downs, but on the
whole has functioned exceedingly well, all things considered.
Air Force materiel support to OSA might be singled out as one
of the best areas of cooperation over the years.

The only technical collection system of OSA now in
operation, the U-2R, has been under review during 1969-70 by
Defense, Budget and CIA, who have all examined the need for
its continuation. Approval of the budget request for the
program for FY-1971 by highest authority has indicated a
reluctance to effect an economy at the expense of this only
existing non-USSR contingency capability to back up satellite
reconnaissance by covert overflight.

25X1

Whether the CIA should continue to operate its part
of the U-2R program covertly, or whether the entire U-2R
fleet should be ~~placed~~ consolidated under the management of
the ~~Strategic-Air-Command~~ Air Force takes us back to a question
first raised in 1956 when the Air Force, led by Generals LeMay,
Twining, and others, first attempted to freeze CIA out of the
U-2 program in favor of SAC. At that time, and since, when
the issue was raised, the State Department and the White House
have historically favored control of peacetime overflight
reconnaissance by a civilian arm of the government. No doubt
the issue will continue to be raised.

25X1

Next 1 Page(s) In Document Exempt

Question #1 & #2:

with NRO funds

The A-12 was an NRO program and all costs were paid by the NRO. The Agency originally purchased 10 A-12's. However, the Air Force felt that this was not enough and requested funds to purchase 5 more for the Agency. Subsequently the last two of the 15 total buy were reconfigured as carriers of ~~the TAGBOARD~~ *a developmental drone (TAGBOARD) which was initiated under the ~~A-12~~ OXCART D/S&T program management, but was later transferred to the Air Force.*

Question #3:

I ~~believe~~ 9 A-12's were put into storage. *(one of which is a trainer, and one of which is fitted as a drone launcher)*

Question #4:

No.

Question #5:

No figure *quoted* that I know of. *Fairly prohibitive rather A rough Lockheed is that to meet an extremely ... it would require ... requirement.*

25X1

Question #6: *20 days and in the neighborhood of* [ ] *to put one of the stored aircraft back into O.R.*

The additional speed and altitude translated into more survivability, i.e., the A-12 was less vulnerable to the defensive systems.

Question #7:

Swath widths were comparable but A-12 ground resolutions were better than U-2R resolutions.

Question #8:

Yes. Operationally the A-12 was superior to the SR-71.

Question #9:

The A-12 was not designed for a redundant collection capability unless you want to consider that having 3 different camera systems, i.e., Types I, II, and IV, provided redundancy. However only one could be flown at a time.

Question #10:

Presumably the SR-71 picked up the Black Shield missions.
However their sensor systems were such that their take was
far inferior to that of the A-12. Other than that, depending
upon whose side you're on, you can make a case for either the
A-12, the SR-71 or the U-2R. None however, can survive in
the Soviet environment.

25X1

25X1

25X1

25X1

TRANSMITTAL SLIP	DATE 5/10/71

TO: OSA

ROOM NO.   BUILDING

REMARKS:

      My Historical Staff boss,
Dr. Drell, in critiquing my first
draft of the Directorate history,
asked me to add a short finishing
section to my OX summary, and I
need the answers to the attached
list of questions to finish it.
Would you please jot down any
of the answers you can give me
without putting yourself to any
great trouble. I would greatly
appreciate it.

  (Return to me via DD/S&T Registry)

FROM:

ROOM NO.   BUILDING   EXTENSION
6-E-44   Langley   Green   (47)

FORM NO. 241   REPLACES FORM 36-8
1 FEB 55   WHICH MAY BE USED.

25X1

1. How many A-12's did the Agency buy?

2. How much of the cost was born by CIA?

3. How many A-12's put in storage ?

   (Assume they are all property of NRP?)

4. Have any been taken out of storage for any purpose? *No* -

5. How much cost to put one in operation?

6. What were advantages of A-12 over U-2 other than additional altitude and speed?

25X1

7. How did [   ] collection capability compare with U-2?

8. Was cost primary consideration in dropping A-12?

                                              (at the time of its demise)
9. Was there redundancy in its capabilities/for coverage in light of satellite capability, and of what was expected from the U-2R?

                             or capability
10. Did any gap result in collection/upon the elimination of the A-12?

<u>DRAFT</u>

2. Office of Special Projects (OSP)

OSP was formally established within the
DD/S&T in September 1965 to assume control of the satel-
lite reconnaissance operations assigned to CIA, and to con-
duct advanced research looking toward improved new systems
for the future, under the over-all authority of the Nat-
ional Reconnaissance Program. CIA's efforts to maintain
a strong role in this greatest of all programs to date for
technical collection of intelligence had at that time begun
to achieve results through the medium of a new agreement
with Defense on the division of program responsibilities.

The pioneer CORONA satellite project, inherited
from the former Development Projects Division (now OSA), and
carried through a continuous improvement program by OSP, has
continued to be the most productive asset for the technical
collection program against denied areas (particularly Soviet
Russia and Communist China) available to the Community.
Examples of intelligence collection to the credit of
CORONA in the late 1960's are the identification of most of
the Soviet SS-9 and SS-11 missile sites, and coverage of
the Soviet Northern Fleet bases, and ballistic missile
submarines.

TREAT AS TOP SECRET/

25X1

OSP was given responsibility [   ] for   **25X1**
                                                                NRO
developing, processing, assembling and integrating the
                                                                25X1
payload (camera system) for the follow-on search and sur-   **NRO**

veillance reconnaissance system to replace CORONA.

The advanced research activities of OSP are the
province of its Design and Analysis Division, which has
conducted intelligence requirements analyses, program def-
inition studies, photographic satellite vulnerability
analyses, and advanced technology programs in support of
satellite systems development. Two of the Division's fields
of exploration which have offered promise are (1) the
development of a high-resolution photographic satellite
system [   ] and (2) new   **25X1**
techniques for fabrication of large precision mirrors for
optical systems.

25X1
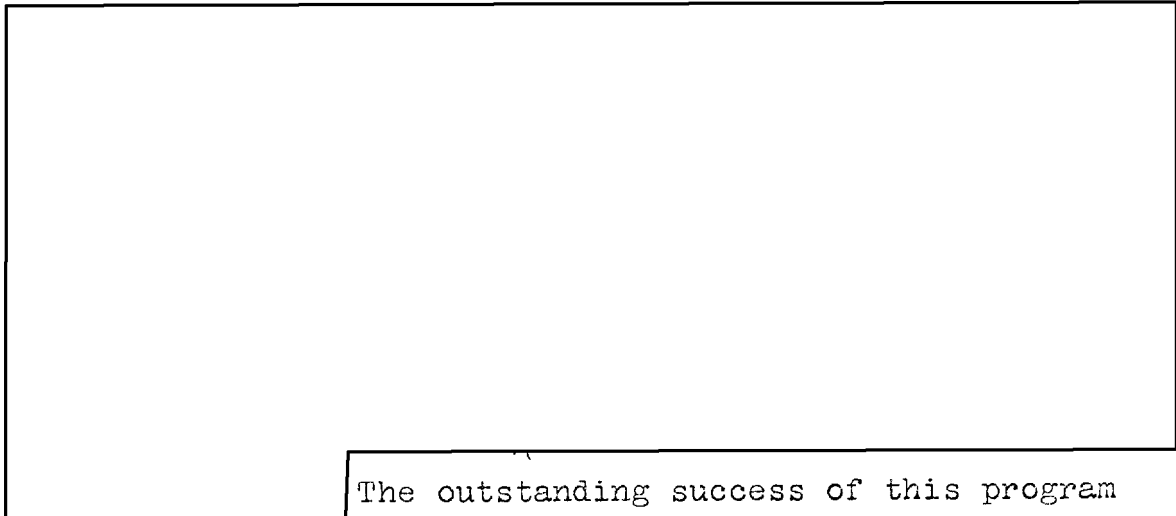
The outstanding success of this program
has supported the legitimacy of CIA's claim to a leading
role in the National Reconnaissance Program in both the
advanced research and development area and in operations.
This program must also be in the forefront of those accom-
plishments to be listed when justifying the establishment
of a Directorate for Science and Technology in CIA. It
is a monument to cooperation within the Directorate,
within the Agency, and within the Community as a whole.

SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

| UNCLASSIFIED | CONFIDENTIAL | SECRET |

OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	Mr. McMahon, DD/EL		
2	5-G-00		
3			
4			
5			
6	Ret. to 6-E-44, O/DDS&T		

ACTION		DIRECT REPLY		PREPARE REPLY	
APPROVAL		DISPATCH		RECOMMENDATION	
COMMENT		FILE		RETURN	
CONCURRENCE		INFORMATION		SIGNATURE	

Remarks:

John: In the Summary chapter of the
Directorate history I want to include a
short status report, giving a little of
the philosophy behind the work of each
Office and something of its contribution
toward fulfilling the Directorate's mission.
May I presume on you to cast an editorial
eye (and pencil) at the attached section
on OSP before I clear it with that Office.

Also attached is the section on OEL which
is the result of my talk with Mr. Miller.
Thought you might read it and then pass
it to Mr. Miller for his o.k.

FOLD HERE TO RETURN TO SENDER

FROM: NAME, ADDRESS AND PHONE NO.		DATE
	6-E-44	18 Feb 71

UNCLASSIFIED   CONFIDENTIAL   SECRET

FORM NO. 237   Use previous editions
1-67   (40)

25X1

25X1

25X1   25X1

DDS&T BIOGRAPHIC SKETCHES